



# CITY OF LODI

## COUNCIL COMMUNICATION

**AGENDA TITLE:** Communications (April 26, 1995 through May 9, 1995)

**MEETING DATE:** May 17, 1995

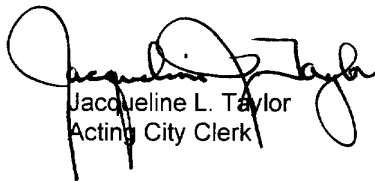
**PREPARED BY:** City Clerk

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**RECOMMENDED ACTION:** Discussion and appropriate action.

**BACKGROUND INFORMATION:** The City of Lodi received a letter from Terry Knutson, on behalf of Cottage Bakery, Inc., requesting City Council's consideration of appeal regarding required fire sprinklers for buildings located at 203 South School Street.

**FUNDING:** None required.

  
Jacqueline L. Taylor  
Acting City Clerk

JLT

Attachment

APPROVED: \_\_\_\_\_

THOMAS A. PETERSON  
City Manager

Cottage Bakery, Inc.  
P.O. Box 1720 / 40 E. Neuharth Drive  
Lodi, California 95241-1720  
(209)333-8044 FAX: (209)333-7428

RECEIVED

APR 28 PM 3:50

**\* \* \* FAX MEMO \* \* \***

**TO: Ms. Jackie Taylor**

**DATE: 4/25/95**

**FROM: TERRY KNUTSON**

**RE: Construction Application #8670**

Dear Ms. Taylor,

I am requesting the opportunity to appeal to the City Council the requirements being placed on my business in regards to fire sprinklers for my buildings located at 203 S. School St. at the earliest possible date.

On July 25, 1994 I submitted drawings and in writing requested from the City Building Dept. all issues and fees in regards to my proposed Cafe' addition to my School St. bakery (copies of the request and their response a mere ten weeks and three phone calls later enclosed). Based on their response and our analysis of all our costs it was determined we needed as many seats as we could comfortably fit into the seating area to justify a capital investment of \$500,000 into this project. We developed our concept on that basis, submitted our drawings for approval, ordered equipment and hired people to execute this plan.


Four weeks into plan check the Fire Marshall says due to the fact this project exceeds 50 seats (which was indicated on the plan presented in July) it moves the building into another code occupancy class therefore the City is now requiring me to put sprinklers not only this building but the bakery building also. Why was I not informed of this major cost when I specifically inquired in July? This will require an additional investment of up to \$30,000 and will hold up this project by 1-2 months, which will cost an additional \$20,000.

I, with Larry Wenell, met with the Fire Marshall in regard to this issue on April 5 to discuss his position. In that meeting he agreed this requirement is not an issue of protecting lives but is a local Ordinance that has been adopted to save the city response resources IF we ever had a fire and in reality no one was there to take immediate action. He told us he would review the plans in regard to our position and give us an answer the following week. We received that answer when I called 5/24 to inquire when the permits would be ready, He is requiring that both buildings be sprinkled.

The code occupancy is ironic that we could have hundreds of people into the space as a retail store and 50 seated in the cafe and meet the code, but only 51 seated in the cafe exceeds the code. We have been required at great expense to provide automatic, heat sensitive double nozzle fire suppression devices on every cooking device with automatic shutdowns for both gas and electrical feeds (this cost \$27,000 for these two buildings and is already in place or included in our current plans and budgets), plus fire extinguishers located directly in all cooking areas and located throughout all working and seating areas, we have an abundance of exits from these buildings equipped with panic releases in case an emergency exit is necessary and all this is in a non smoking environment. If we have more than 50 people sit down in this Cafe we are required to spend \$30,000 in addition to the \$30,000 we already have spent on fire equipment not to protect them but to protect my property. I believe this requirement which is new and now being phased in is a violation of the agreement I moved forward on, is unnecessary, a financial hardship, not cost effective and burdensome to me as a taxpayer and citizen. I am requesting this Council grant a Waiver of this provision based on the facts and good common sense.

We planned to invest a half of million MORE dollars in this property in this declining area due to the fact we own this property and feel this is the only way we can utilize our property and have any hope of getting a return on our investments. It is our intention to build one of the finest Cafe's in Northern California to complement our Bakery operation. While this has been our plan for many years it has been necessary for us to adjust the concept and increase our investment to make this a destination more than capture impulse sales from local traffic to have any hope of success due to the continued declining traffic patterns and values in this area. Our plan is consistent with what this Council says it wants to see in this area and it is being done without any cost to the City. To increase the costs 10% and hinder us with additional delays is counterproductive and is not in my best interest or yours.

Sincerely,



Terry Knutson

29 N. Allen Dr.

Lodi, Ca. 95242

# Cottage



# Bakery, Inc.

P.O. BOX 1720 • LODI • CALIFORNIA 95241-1720 • PHONE (209) 333-8044 • FAX 333-7428

Lodi • Modesto • Stockton

TO: Roger Houston  
Building Department  
City of Lodi

DATE: July 25, 1994

FROM: Terry Knutson

RE: Preliminary Plans Bakery Cafe'

Dear Roger,

Enclosed are the concept drawings for an addition for a Cafe' to our Lodi Bakery at 203 S. School Street. We plan to utilize the existing building used for Parrett's.

Please advise on what problems if any, we will encounter with the city to get permit approval.

Please advise on what impact fees we will be charged as we are currently running our financial analysis to see if we can make this project pencil out. I appreciate your earliest possible response.

Sincerely,

Terry R. Knutson

CITY COUNCIL

JACK A. SIEGLOCK, Mayor  
STEPHEN J. MANN  
Mayor Pro Tempore  
RAY G. DAVENPORT  
JOHN R. (Randy) SNIDER  
PHILLIP A. PENNINO

# CITY OF LODI

CITY HALL, 221 WEST PINE STREET  
P.O. BOX 3006  
LODI, CALIFORNIA 95241-1910  
(209) 334-5634  
FAX (209) 333-6795

THOMAS A. PETERSON  
City Manager  
JENNIFER M. PERRIN  
City Clerk  
BOB McNATT  
City Attorney

October 4, 1994

*Phil*  
*333-6714*

Mr. Terry Knutson  
Cottage Bakery, Inc.  
203 S. School ST.  
Lodi, CA 95240

Re: Preliminary Fees and comments for Bakery Cafe'

Dear Terry

Enclosed are the estimate of fees.

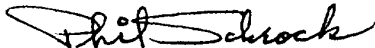
Also I have talked with Mr. Schroeder regarding parking and he says that will not be a problem.

I checked with Water/Waste-Water and as you can see, there will be some additional sewer service units (S.S.U.'S) charged for this project.

Also noted on the plans you provided, the exiting from the restaurant can probably be accomplished with some modification of the hardware on the existing doors.

If you have any further questions, please do not hesitate to call me at 333-6714.

Sincerely



Phil Schrock

NEW DWELLING: NO. OF BEDROOMS 0

RESIDENTIAL ADDITION: NO. BEDROOMS 0

RESTAURANTS			CENSUS NUMBER	
Type III - N			437	
	AREA	BVD	S/AREA	VALUE
SQUARE FOOTAGE	5,000	338	\$25.00	\$125,000.00
SQUARE FOOTAGE	0	329	\$27.00	\$0.00
GARAGE SQ.FT	0	171	\$18.30	\$0.00
PATIO SQ.FT.	0	173	\$13.10	\$0.00
TOTALS	5,000			\$125,000.00
BUILDING PERMIT FEE				\$808.75
PLAN REVIEW FEE				\$525.69
MECH PERMIT				\$105.00
ELEC PERMIT				\$170.00
PLMB PERMIT				\$80.00
S. M. I. P. FEE				\$12.50
ZONING PLAN REVIEW				\$15.00
TOTAL PERMIT FEES				\$1,716.94
NEW RESIDENTIAL S.S.U.'S	0.00	SEWER FEE		\$0.00
ADDITIONAL RESIDENTIAL S.S.U.'S	0.00	SEWER FEE		\$0.00
COMMERCIAL S.S.U.'S	4.30	SEWER FEE		\$9,025.70
ADDITIONAL SEWER FEES				\$0.00
ADDITIONAL WATER FEES				\$180.00
TOTAL FEES				\$10,922.64

F/u  
5/17

MAY-12-1995 14:10

P.01

# Cottage



# Bakery, Inc.

P.O. BOX 1720 • LODI • CALIFORNIA 95241-1720 • PHONE (209) 333-8044 • FAX 333-7428

Call re: mky: (Thu. 10:00  
Conf. room)

MAY 12 '95

City Manager's Office

May 12, 1995

Tom Peterson  
City Manager  
City of Lodi  
221 West Pine Street  
P.O. Box 3006  
Lodi, CA 95241-1910

Subject: Business Conditions in the City of Lodi

Dear Tom,

I am writing to you in regards to the continuing escalating costs and controls being imposed on my business to continue to operate in this city. With Janet gone, Henry Rice retired and you leaving, I am lost where to turn to try and migrate the following list of problems.

1) My utility rates prohibit me from operating my plant during peak production periods of 3:00 to 7:00 p.m. daily due to a Peak Period pricing policy by the Electrical Department. I am trying to grow my business but cannot be in production during these periods. This makes no sense.

When I built this plant in 1986 you and Mr. Rice came to us and asked us to be good citizens and support this City. I passed up to \$200,000 in rebates from P.G. & E. for our ice builders and stayed with the City of Lodi on the basis rate relief was coming for large industrial users in 1 to 2 years.

I met with Mr. Rice in 1989 asking when this was going to happen, he said he was working on a proposal and it would be in the next year. It is now 1995, my electrical bill exceeds \$150,000 per year. Is it a fact that 20% - 30% of that bill is used to subsidize this cities general fund? This is a tax I never intended to pay and will not continue to pay.

We are currently studying ways to take our plant 100% off line to try to control these costs. Not being able to operate my plant continually on a daily basis costs us huge amounts of money and renders us uncompetitive and unable to meet our customers needs on a timely basis.

2) The waste treatment plant is monitoring the solid counts in our discharge from our School Street Bakery and Production Plant. They intend to raise our costs due to the fact we use very little water, thus we have high solid counts. We thought water conservation was a priority. Shall we solve this problem by increasing our water use? It will save me money.

MAY-12-1995 13:48

94%

P.01

MAY-12-1995 12:52

P.01

Cottage



Bakery, Inc.

P.O. BOX 1720 • LODI • CALIFORNIA 95241-1720 • PHONE (209) 383-8044 • FAX 383-7428

3) My garbage rates for March 1995 are as follows: Lodi Bakery \$679.47, Stockton Bakery \$249.00 and Sacramento Bakery \$218.09 and my plant refuse cost was \$1,052.63. Is this another example of the City using its industrial base to subsidize its residential customers? It is to the detriment of its citizens the city has chosen to allow one firm to control this business. My Stockton store does 50% more volume than Lodi yet my rate is only 35% of the cost due to having 2 companies competing for the business. The figures speak for themselves. We used to be able to negotiate our own rates but the City many years ago decided it had the exclusive right to control the movement of waste across City streets and decided to set rates for us, the results are not good.

4) The Fire Marshall in this city continues to be a problem to me and many others. He has come to my plant and stores and placed restrictions up to the point of requiring us to trim the trees in front of my plant up from the ground so that IF we ever have a fire and IF it is at night and IF there was someone standing under these trees they MIGHT not be able to see them. If you ever want to understand the frustration all business people feel with the Government intrusion into our lives, reread the last sentence.

The Fire Marshall wrote me a letter on April 24, 5 weeks into plan check, to inform me that he requires sprinklers and it will take 6 weeks for this portion to be checked and to allow extra time for resubmittal. Is this the 1990's or the 1950's. I received Health Department approvals in 1 week. I can assure you I regret ever starting this project and only proceeded because I have deep financial commitments involved.

I now am being required to spend my time, energy and money to fight to be relieved of a requirement to sprinkle my buildings on School Street when I specifically went to the Planning Department to get definitive costs on what it will take to build my cafe in that location. Again, I relied and acted on the information given to me and am now confronted with additional requirements and delays which will cost me over \$50,000 more than I had planned.

When I brought these concerns to your planning director his attitude was less than encouraging. I am very interested in how you and your staff position yourselves in regard to solving this problem in my appeal to the City Council. I will not play politics with this and will present my case at the meeting which I have yet to be informed. I sent a letter on 4/25 in regard to the issue to the Acting City Clerk from which I have yet to receive any response.

My building permit application was filed on 3/15/95. I am still waiting for them to be issued. My competition, Boston Chicken, was built from the ground up in 63 days, less than it takes to get tenant improvements approved to an existing building.



Cottage



Bakery, Inc.

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5) The City Council has decided that another round of Downtown Revitalization will offset the continued planned rerouting of shopping traffic patterns within the city from the old central business district to the new perimeter based large shopping areas. It is interesting that now we are zoned out of business we can be taxed back into prosperity. With business license tax increases on one hand and assessment district taxes on the other the idea that moving trees and building an Arch will increase my business are not logical to me. I invested a lot of money to off site improvements for downtown 10 years ago, do you plan to have me do it again? I did not kill downtown and do not feel responsible to resurrect it. I still believe that my being left alone to invest my money in the places I choose to build my business is the most effective thing I can do for myself, my employees, customers and neighbors. To invest my limited capital into moving trees or fire systems to save the City response money is not.

I have listened to the people of City Hall talk about supporting downtown Lodi while watching them consistently vote to alter the unique character of this city. I don't hear well but I see real good. I believe when we see the Rescue Mission donating their time to trim the trees downtown because the City does not have the money to do it is indicative of the actual commitment to this area.

I am writing you of my concerns in regards to the above and what action you will take on them. It is very difficult for me to continue to try and grow my business under these conditions and costs. I hear about this City wanting to maintain its job base and attract more, yet I continue to feel the interest of the old tax base are being traded for the interest of a new tax base. I will never trade an old friend for a new one, but all indications are my best interests will be served by becoming a new one somewhere else.

Sincerely,

Terry R. Knutson



CITY OF LODI  
P. O. BOX 3006  
LODI, CALIFORNIA 95241-

**ADVERTISING INSTRUCTIONS**

**SUBJECT:** Public Hearing on June 7, 1995 to discuss appeal from Terry Knutson on behalf of Cottage Bakery, Inc. regarding required fire sprinklers for buildings located at 203 South School Street

**PUBLISH DATE:** SATURDAY, MAY 20, 1995

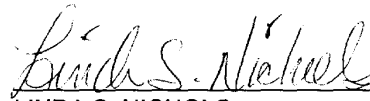
**TEAR SHEETS WANTED:** ONE

**AFFIDAVIT AND BILL TO:**

JACQUELINE L. TAYLOR  
ACTING CITY CLERK

**DATED:** MAY 18, 1995

**ORDERED BY:**

  
LINDA S. NICHOLS  
DEPUTY CITY CLERK



## CITY OF LODI

Carnegie Forum  
305 West Pine Street, Lodi

## NOTICE OF PUBLIC HEARING

Date: June 7, 1995

Time: 7:00 p.m.

For information regarding this notice please contact:

**Jennifer M. Perrin**

City Clerk

Telephone: (209) 333-6702

### NOTICE OF PUBLIC HEARING

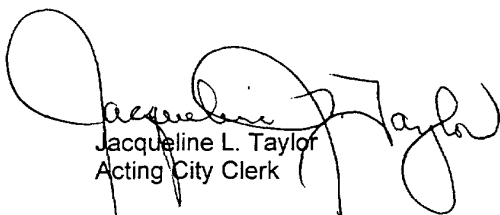
**NOTICE IS HEREBY GIVEN** that on **Wednesday, June 7, 1995** at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a Public Hearing to consider the following matter:

- a) appeal from Terry Knutson, on behalf of Cottage Bakery, Inc., regarding required fire sprinklers for buildings located at 203 South School Street

Information regarding this item may be obtained in the office of the Community Development Director at 221 West Pine Street, Lodi, California. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the Public Hearing.

By Order of the Lodi City Council:



Jacqueline L. Taylor  
Acting City Clerk

Dated: May 18, 1995

Approved as to form:



Bobby W. McNatt  
City Attorney